ACTION: Notice of extension of time limit for preliminary results.

SUMMARY: The Department of Commerce (the Department) is extending the time limit for the preliminary results of the new shipper antidumping duty administrative review of CDIW from the PRC. The review covers one manufacturer/exporter of the subject merchandise to the United States and the period August 1, 1995 to February 29, 1996.

EFFECTIVE DATE: October 30, 1996.

FOR FURTHER INFORMATION CONTACT: Paul M. Stolz, Office of Antidumping/Countervailing Duty Enforcement, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW., Washington, DC 20230, telephone: (202) 482–4474.

SUPPLEMENTARY INFORMATION: Because this is a new shipper review involving a nonmarket economy country, the Department must determine whether the new shipper, Beijing M Star Pipe Corp., Ltd. (BMSP), has not shipped during the period of investigation and whether BMSP is entitled to a separate rate, both of which we intend to verify. For these reasons, we consider this review to be extraordinarily complicated, and are extending the time limit for the completion of the preliminary results to February 13, 1997, in accordance with section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended by the Uruguay Round Agreements Act, effective January 1, 1995. (*See* Memorandum from Jeffrey P. Bialos to Robert S. LaRussa.) We will issue our final results for this review by May 14, 1997.

This extension is in accordance with section 751(a)(2)(B)(iv) of the Tariff Act of 1930, as amended (19 U.S.C. 1675(a)(2)(B)(iv).

Dated: October 15, 1996.

Jeffrey P. Bialos,

Principal Deputy Assistant Secretary for Import Administration.

[FR Doc. 96–27853 Filed 10–29–96; 8:45 am]

BILLING CODE 3510–DS–M

[A–428–604]

Certain Forged Steel Crankshafts From Germany, Revocation of the Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Revocation of Antidumping Duty Order.

SUMMARY: The Department of Commerce (the Department) is notifying the public of its revocation of the antidumping duty order on certain forged steel crankshafts from Germany because it is no longer of any interest to domestic interested parties.

EFFECTIVE DATE: October 30, 1996.

FOR FURTHER INFORMATION CONTACT: Amy Wei or Michael Panfeld, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue, N.W., Washington, D.C. 20230, telephone (202) 482–4737.

SUPPLEMENTARY INFORMATION:

Background

The Department may revoke an antidumping duty order if the Secretary concludes that the duty order is no longer of any interest to domestic interested parties. We conclude that there is no interest in an antidumping duty order when no interested party has requested an administrative review for five consecutive review periods and when no domestic interested party objects to revocation (19 CFR § 353.25(d)(4)(iii)).

On September 3, 1996, the Department published in the Federal Register (61 FR 46437) its notice of intent to revoke the antidumping duty order on certain forged steel crankshafts from Germany (September 23, 1987). Additionally, as required by 19 CFR § 353.25(d)(4)(ii), the Department served written notice of its intent to revoke this antidumping duty order on each domestic interested party on the service list. Domestic interested parties who might object to the revocation were provided the opportunity to submit their comments not later than the last day of the anniversary month.

In this case, we received no requests for review for five consecutive review periods. Furthermore, no domestic interested party, as defined under § 353.2(k)(3), (k)(4), (k)(5), or (k)(6) of the Department's regulations, has expressed opposition to revocation. Based on these facts, we have concluded that the antidumping duty order on certain forged steel crankshafts from Germany is no longer of any interest to interested parties. Accordingly, we are revoking this antidumping duty order in accordance with 19 CFR § 353.25(d)(4)(iii).

Scope of the Order

Imports covered by the revocation are shipments of certain forged steel crankshafts from Germany. This merchandise is currently classifiable under Harmonized Tariff Schedules (HTS) item numbers 8483.10.10, 8483.10.10.30, 8483.10.30.10, and 8483.10.30.50. The HTS numbers are provided for convenience and customs purposes. The written description remains dispositive.

This revocation applies to all unliquidated entries of certain forged steel crankshafts from Germany entered, or withdrawn from warehouse, for consumption on or after September 1, 1996. Entries made during the period September 1, 1995, through August 31, 1996, will be subject to automatic assessment in accordance with 19 CFR § 353.22(e). The Department will instruct the Customs Service to proceed with liquidation of all unliquidated entries of this merchandise entered, or withdrawn from warehouse, for consumption on or after September 1, 1996, without regard to antidumping duties, and to refund any estimated antidumping duties collected with respect to those entries. This notice is in accordance with 19 CFR § 353.25(d).

Dated: October 15, 1996.

Barbara R. Stafford,

Deputy Assistant Secretary for AD/CVD Enforcement.

[FR Doc. 96–27764 Filed 10–29–96; 8:45 am]

BILLING CODE 3510–DS–P

[A–538–802]

Shop Towels From Bangladesh; Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of final results of antidumping duty administrative review.

SUMMARY: On May 6, 1996, the Department of Commerce published the preliminary results of its administrative review of the antidumping duty order on shop towels from Bangladesh. The review covers six shop towel producers that exported this merchandise to the United States during the period March 1, 1994, through February 28, 1995.

Based on our analysis of the comments received on our preliminary results, we have made changes to our calculations for the final results. The review indicates the existence of dumping margins for certain firms during the review period.

EFFECTIVE DATE: October 30, 1996.

FOR FURTHER INFORMATION CONTACT: Davina Hashmi, Matthew Rosenbaum or Kris Campbell, International Trade Administration, U.S. Department of Commerce, Washington, DC 20230; telephone (202) 482–4733.

SUPPLEMENTARY INFORMATION:

The Applicable Statute

Unless otherwise indicated, all citations to the Tariff Act of 1930, as amended (the Act), are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Act by the Uruguay Round Agreements Act (URAA). In addition, unless otherwise indicated, all citations to the Department's regulations are to the current regulations, as amended by the interim regulations published in the Federal Register on May 11, 1995 (60 FR 25130).

Background

On May 6, 1996, the Department of Commerce (the Department) published in the Federal Register (61 FR 20231), the preliminary results of its 1994–1995 administrative review of the antidumping duty order on Shop Towels from Bangladesh (57 FR 9688 (March 20, 1992)). We gave interested parties an opportunity to comment on the preliminary results and received case briefs and rebuttal briefs from the petitioner, Milliken & Company (Milliken), and two respondents, Greyfab and Hashem. We held a public hearing on July 11, 1996, as requested by Greyfab and Hashem.

In the preliminary results we calculated profit for constructed value (CV) under section 773(e)(2)(B)(iii) of the Act. We used this method because we had no information on actual profit amounts earned by the exporters in connection with the production and sale of the merchandise for consumption in the home market or any information that would permit us to use any of the alternatives for calculating profit under section 773(e)(2) of the Act. We could not calculate the ''profit cap'' prescribed by section 773(e)(2)(B)(iii) based on sales for consumption in the ''foreign country'' of merchandise that is in the same general category of products as the subject merchandise because we had no such information. Instead, we applied another reasonable method under 773(e)(2)(B)(iii). For each of the five responding companies, the only facts available for the preliminary results were the amounts for profit earned and realized by the individual respondent as shown in each company's financial statements, profit earned solely on sales to the United States. Hence, we used these profits in our calculation of CV.

As a result of the comments we received and the discussion at the public hearing, we requested additional information from petitioner, Milliken, and respondents relevant to the calculation of the profit rate. We received a submission containing factual information regarding profit from two respondents (Greyfab and Hashem) on July 26, 1996. We received comments from petitioner regarding respondents' submission on August 8, 1996. For these final results, we are using the actual profit amounts of textile mills that sold the same general category of products as the subject merchandise in the home market during the POR (*see* Comment 7, below).

The Department has completed this administrative review in accordance with section 751 of the Act.

Scope of Review

This administrative review covers six firms for the period March 1, 1994, through February 28, 1995: Eagle Star Mills, Ltd. (Eagle Star); Greyfab Bangladesh Ltd. (Greyfab); Hashem International (Hashem); Khaled Textile Cotton Mills, Ltd. (Khaled); Shabnam Textiles (Shabnam); and Sonar Cotton Mills (BD), Ltd. (Sonar).

The product covered by this administrative review is shop towels. Shop towels are absorbent industrial wiping cloths made from a loosely woven fabric. The fabric may be either 100-percent cotton or a blend of materials. Shop towels are currently classifiable under item numbers 6307.10.2005 and 6307.10.2015 of the Harmonized Tariff Schedule (HTS). Although HTS subheadings are provided for convenience and customs purposes, our written description of this proceeding remains dispositive.

Analysis of Comments Received

Comment 1: Respondents Greyfab and Hashem contend that the method the Department used to calculate profit in the preliminary results of review is unreasonable because, in calculating an amount for profit, the Department imputed certain credit and interest expenses in its calculation of selling, general and administrative expenses (SG&A) which are not reflected in the company's financial statements rather than accounting for actual credit and interest expenses. Respondents contend that, if the Department makes an adjustment for imputed credit and interest expenses, it should also reduce the reported profit by the amount of such imputed expenses. Respondents purport that, under the Department's methodology in the preliminary results, the Department used profit to increase the normal value yet, at the same time, for the purpose of determining costs the Department rejected the profit data on the basis that it is overstated.

Milliken responds that the Department is under no obligation under section 773(e)(2)(B)(iii) of the Act to adjust the amount for profit recorded in the respondents' financial statements to take into account imputed SG&A expenses. Petitioner argues further that, since the record does not contain any data concerning company profits on home market sales and because the only data available are profit amounts recorded in respondent's financial statements, the Department properly used that data and, in addition, the statute does not require the Department to evaluate each aspect of that data or to adjust them. Milliken cites the *Final Determination of Sales at Less Than Fair Value: Pure Magnesium from the Russian Federation*, 60 FR 16440, 16447 (March 30, 1995), and claims that, in that case, the Department rejected petitioner's claim that certain elements of the surrogate value for factory overhead should be adjusted to make it more accurate.

Department's Position: We agree with Milliken that we are under no obligation to adjust the amount for profit recorded in the respondents' financial statements to take into account imputed SG&A expenses. As discussed in response to additional comments below, however, we have not used respondents' U.S. sales experience to calculate profit in these final results, and therefore this issue is moot.

Comment 2: The respondents contend that the Department's profit methodology in the preliminary results is unreasonable in that, for the purpose of calculating CV, the Department calculated an average profit based on the total profit realized on sales to the United States. Respondents state that the Department added the average profit to the normal value for sales of that same merchandise. Respondents indicate that, if there is any variation in price on those sales, sales that earn a profit below the average level of profits will always yield a dumping margin under this methodology. In addition, respondents contend that the Department will always find dumping margins using this methodology because, as prices rise, profit will also increase, resulting in an upward adjustment to CV. Therefore, respondents argue, this methodology forces the company to lower its U.S. prices in order to lower the dumping margin of the company, which is contrary to the very purpose of the antidumping statute.

Milliken argues that the methodology the Department used to determine the profit calculations is lawful and reasonable and is in accordance with section 773(e)(2)(B) of the Act. Milliken suggests that, given the absence of other

data in this case and the fact that the only profit data available to the Department was the profit information reported in respondents' financial statements, the Department had no alternative but to use this information as facts available in determining the profit respondents earned on sales made to the United States.

Milliken contends that the Statement of Administrative Action (SAA) provides four principles which support the Department's profit calculation in the preliminary results: the statute does not establish any hierarchy among the alternative choices for determining profit and the Department's use of any particular method should depend upon the facts of each case and available data; there is a strong preference to use the actual company records of respondents in order to ensure that the source of the data is reliable, independent, in accordance with generally accepted accounting principles, and capable of verification; the use of alternative methods to determine profit in CV situations should not diminish the antidumping relief due the domestic industry; in determining profit on the basis of the third method set forth in section 773(e)(2)(B)(iii) of the Act the Department should not make an adverse inference in applying the facts available unless the company in question withheld information the Department requested.

Milliken asserts that, absent home market profit data, the Department relied upon actual, audited company data in accordance with the SAA. In addition, Milliken contends that the methodology the Department used to calculate profit in its preliminary results meets the guidelines set forth in the SAA which, in turn, ensures that the domestic industry is not unfairly disadvantaged by the absence of data on the record. Milliken states that respondents are in a better position to obtain profit information on home market sales than is the Department. Therefore, given respondents' interest in the Department's calculation of profit, Milliken contends that respondents should have submitted this profit information on the record in a timely manner.

Milliken states that, since respondents have no home market or third-country sales and since the Department had no other profit information on the record, the Department's reliance on respondents' profit made on export sales of shop towels to the United States was reasonable and lawful, as the law provides for the use of ''any other reasonable method'' to calculate profit on the basis of facts available. Milliken therefore purports that, given the data presently on the record and the fact that the Department addressed the SAA's concerns of using independent and reliable data (*e.g.*, audited financial statements prepared in accordance with generally accepted accounting principles), the Department properly calculated profit for CV.

Milliken disagrees with respondents' claim in this case that the Department's profit determination would require Greyfab, for example, to lower prices on exports of non-subject merchandise to the United States in order to reduce its dumping margin in future reviews. Milliken claims that the Department must determine profit under section 773(e)(2)(B)(iii) and not worry about what might happen in future reviews.

Department's Position: We agree with the respondents that it is inappropriate to calculate profit for addition to CV based on the respondents' U.S. sales. The statute is clear that we must derive profit on the basis of home market or third-country sales. As indicated earlier, after the hearing we gave parties an opportunity to provide additional information which we have analyzed. See our responses to Comments 3, 5 and 7.

Comment 3: Respondents contend that the Department's use of profit realized on U.S. sales to calculate CV is contrary to section 773(e)(2)(B)(iii) of the Act because the profit level on U.S. sales exceeds the profit ''cap'' prescribed by the Act. Respondents state that, because none of the respondents sell the foreign like product for consumption in Bangladesh, the costs and profit amounts in the financial statements relate only to U.S. sales. Given this situation, respondents assert, the only alternative the Department may use is an amount for profit and SG&A based on any other reasonable method, in accordance with section 773(e)(2)(B)(iii) of the Act.

Respondents identify three statutory alternatives for calculating SG&A and profit for addition to CV, all of which rely on data gathered on sales and production of merchandise for consumption in the home market. Respondents also cite the statutory requirement that the amount allowed for profit may not exceed the amount normally realized by exporters or producers for consumption in the foreign country of merchandise that is in the same general category of products as the subject merchandise. Respondents contend that this provision establishes a profit ''cap'' which limits the amount the Department may use as profit in its CV calculations. Respondents object to the Department's decision not to calculate a profit cap because it had no information on sales in the home market of the same general category of merchandise as shop towels upon which to base the calculation. Respondents argue that, since they do not sell shop towels or any other textile product for consumption in Bangladesh, the above-mentioned statutory alternatives are not available in this case.

Respondents contend that the information they provided in the case brief supersedes and is more reasonable to use than the information that is already on the record. Respondents urge the Department to replace the methodology it used in determining the profit level and profit cap in the preliminary results of review with the information in the case brief. According to respondents, there is publicly available information that establishes that there is little or no profit realized on sales of textiles in Bangladesh, including several World Bank reports, a report prepared by the Bangladesh Bureau of Statistics which is compiled in the ordinary course of its governmental functions, and several audited financial statements of privately held companies which are listed in the Bangladesh stock exchange.

Respondents argue that the SAA indicates that unprofitable sales can be considered in establishing the profit cap. Respondents contend that, given that information from reliable, independent sources supports the finding that there is no profit normally realized on sales of textiles in Bangladesh, the statute requires that in the calculation of CV the profit cap must be equal to zero.

Milliken states that the information which respondents submitted in their case briefs regarding the level of profitability of textile producers in Bangladesh is untimely, out-of-date, unreliable and inappropriate for determining profit under section 773(e)(2)(B)(iii).

In the event the Department considers the information for its final results, Milliken asserts that the World Bank reports cannot be used because they relate to the experience of state-owned enterprises (SOEs), which cannot be compared with respondents' experience. Milliken explains that, unlike SOEs, respondents are privately owned enterprises located in export zones which benefit from superior infrastructure and greater efficiency than SOEs. Milliken states that, because respondents' companies are very different from SOEs, the Department should not use the information in the

World Bank reports to determine profits or to establish the profit cap.

Department's Position: Because we indicated at the public hearing for this proceeding that we would accept the new information and allow interested parties to comment on the issue of profit calculation, we have accepted the information respondents included in their case briefs. Under these circumstances, the Department clearly has the discretion to accept new information. Indeed, 19 CFR 353.31 (b)(1) indicates that the Department has the discretion to ''request any person to submit factual information at any time during the proceeding'' except under certain circumstances not applicable in this case.

According to section 773(e)(2)(B) of the Act, the Department has three alternatives if actual data are not available with respect to actual amounts incurred and realized by the specific exporter being reviewed for SG&A expenses and for profit, in connection with the production and sale of a foreign like product, in the ordinary course of trade, for consumption in the foreign country. The first two methods refer to costs and profits based on production and sales for consumption in the foreign country, which is the home market. The third option allows for the calculation of costs and profit to be made using any other reasonable method, except that the amount allowed for profit may not exceed the amount normally realized by exporters or producers in connection with the sale, for consumption in the foreign country, of merchandise that is in the same general category of products as the subject merchandise. Because all three options require use of an amount which reflects profit in connection with sales *for consumption in the foreign country,* we cannot calculate profit based on respondents' data in this case since none of the respondents sold shop towels or other merchandise in the home market.

We disagree with the respondents' contention that we should apply a zero-level profit cap based on the information they submitted. These data do not constitute the best source for information on which we would base the profit cap given that respondents provided more reliable information in their post-hearing submission (*see* Comment 7, below). The profit figures listed for SOEs in the reports are for 1989 through 1993, a period that is prior to the POR.

The Bangladesh Bureau of Statistics report lists gross sales margins for several Bangladesh industries, including the textile, apparel and accessory industry. However, this report covered the 1989 through 1990 period, which is a period not contemporaneous with the POR and precedes the POR by four years. The data that we used is preferable since it is closer in time to the POR.

The annual report that the respondents submitted in their case brief includes the financial statements of a Bangladesh textile company. However, as indicated in the notes to the accounts for the year ended December 31, 1995, this company only made export sales. Hence, since this company does not sell any merchandise in Bangladesh, for the same reasons that we cannot use the profit data of the respondents in this case, we cannot use the information in this company's financial statement.

Therefore, for these final results, we have not relied on the information respondents submitted in the case brief.

Comment 4: Respondents contend that, by using their own profit levels on sales to the United States as facts available, the Department drew an adverse inference against the companies which is inappropriate, given their participation in this review. Respondents state that they raised the question of the calculation of profit to the Department earlier in the administrative review process, but the Department did not make any attempt to develop information on the record, request such information, or implement the statutorily required cap. Therefore, respondents contend, the Department penalized them by applying facts available. Respondents state that the law requires that the Department make some minimal effort to obtain this information on the record in order to implement all of its statutory obligations.

Milliken argues that the SAA prescribes that, in calculating profit, the Department may use any other reasonable method based on the facts available. Milliken states that the Department properly used the only profit data that was available on the record.

Department's Position: As discussed below, we have changed our profit calculation from that which we used in the preliminary results and are, therefore, not relying on the United States profit experience as facts available. Therefore, respondents' argument is no longer relevant.

Comment 5: Respondents contend that, if the Department does not consider the submitted information to be sufficient for purposes of determining the profit cap, the Department should still use the information submitted in respondents' case brief as facts otherwise available. Respondents state that, by using such information as facts otherwise available, the Department would be adhering to both the statute and the SAA. Respondents argue that they have not withheld such information as it relates to the calculation of the profit cap nor have they failed to provide such information, but, rather, the Department erred by not requesting information concerning the statutory profit cap or the profitability of producers selling textile products in the home market.

Milliken contends that, if the Department changes its methodology of calculating profit for the final results of review, the Department should provide Milliken with a description of the methodology employed in the calculation of CV and an explanation of why it was selected, as directed in the SAA, as well as an opportunity to submit comments on such possible changes prior to its issuance of the final results.

Department's Position: We have determined, as discussed below, that information submitted by respondents after their submission of the case briefs is reasonable to use as a profit cap and have not relied on the information submitted in the case briefs as facts otherwise available. Regarding a change in the methodology, we have explained in these final results how and why we have made changes. In addition, petitioner had an opportunity to comment on all information on the record regarding the profit issue.

Comment 6: Respondents state that the statute does not preclude the Department from using the eight-percent rate from the pre-URAA statute as the ''law of the case'', absent other available data on the sales and profitability of Bangladesh textile companies in the home market. Respondents assert that using the eight-percent profit level as the law of the case is reasonable and that its use is more defensible than use of actual profit realized on the sale of the same merchandise which is alleged to have been dumped in the United States.

Milliken states that the new law no longer provides for a statutory eight-percent minimum profit to be used in the calculation of CV. Milliken argues that it is, therefore, unlawful to use the eight-percent profit rate as suggested by respondents.

Department's Position: Because we are conducting this review under the Act which became effective on January 1, 1995, we no longer have an eight-percent minimum profit figure as a statutory instruction for use in CV calculations under section 773(e)(2)(B).

Although we used the eight-percent minimum in previous reviews of this order under the pre-URAA statute, we do not have the discretion under section 773(e)(2)(B) to apply eight percent as ''law of the case''.

Comment 7: In their post-hearing submission, respondents Greyfab and Hashem provided several documents regarding the profits of Bangladesh textile producers. The submission includes a certificate from the president of the Bangladesh Specialized Textile Mills and Power Loom Industries Association (Textile Association) regarding the state of the power-loom-weaving subsector of the textile sector in the Bangladesh economy, a summary from a report on the power-loom subsector, an executive summary of a final report on the textile power-loom-weaving subsector prepared for the Bangladesh Tariff Commission in December 1995, and financial statements of four textile companies located in Bangladesh.

Respondents contend that the certificate from the president of the Textile Association indicates that the Bangladesh textile weaving industry in the private sector is ''sick,'' suggesting that expected net profit for the textile and power-loom industries is eight percent or lower.

The Tariff Commission report, according to the respondents, identifies problems in the power-loom-weaving subsector and suggests changes in the country's tariff structure to help rehabilitate the industry, which is plagued by a number of problems.

The respondents contend that annual reports for the 1995 fiscal year for two textile companies, the 1994 fiscal year for a third company, and for the 1993 fiscal year for a fourth company indicate that the companies had a net loss for the relevant periods (although the company for which the respondents submitted the 1993 annual report showed a profit in 1992 and 1993).

Regarding the reports from the Textile Association and the Tariff Commission, Milliken contends that the material contained in the exhibits are overly broad, speculative and of little value. Milliken claims that the report does not identify the types of entities that comprise the textile industry and whether they are state-owned. If they are state-owned, claims Milliken, their operations cannot be properly compared to the producers in this case. Milliken also claims that the eight-percent profit rate cited by the respondents is merely a projection and that the company's reported profits might include profits on export sales in addition to home market sales.

Milliken contends that two of the annual reports do not clearly state whether the company only sells the same merchandise of the same general product category as shop towels or whether they export their merchandise. Petitioner claims that, for one of those companies, the annual report states that no production was made since August 1994, which would render the company's net profit results aberrational and not reasonable for the calculation of profit for the Department's CV purposes. For another company, Milliken claims that the annual report refers to 1992 and 1993, years which are outside the POR, and that the company is a yarn spinner and not a weaver of fabric. As a result, Milliken contends that the Department cannot use the data from this company. Milliken claims that the final company's figures cannot be used because the company is engaged in yarn-spinning operations, not fabric weaving, and that the product is not in the same general category of products as shop towels. In addition, Milliken claims this company's data cannot be used because the company began commercial production on January 1, 1994, and had production problems that led to a low capacity-utilization rate. Hence, Milliken claims, the company's 1994 results are unreliable for determining profit in this case. In addition, Milliken claims that there is a good reason to believe that the company's operations also include export sales.

Department's Position: We have determined that the financial statements of three companies provide data from which, in accordance with section 773(e)(2)(B)(iii) of the Act, we can reasonably calculate profit for these final results. In light of our alternatives in this case, this information provides a reasonable method to use in calculating profit because we are using the actual profit amounts of textile mills that sold merchandise that is in the same general category of products as the subject merchandise in the home market during the POR.

Respondents' post-hearing submission included a summary of a report on the power-loom-weaving subsector of the textile sector in the Bangladesh and an adjoining certificate of the state of the Bangladesh textile industry. There was no useful information in the report summary or in the certificate. Specifically, the report summary did not indicate any specific profit figures for the textile industry in Bangladesh. While this report summary did include an earnings forecast it is not clear which sector of the industry is covered by this forecast, nor does the report summary indicate the source of this forecast or the time period it covers. It is not clear if this forecast covers textile companies that export or sell textiles in Bangladesh. Hence, since this report summary does not list any specific profit information for Bangladesh shop towels or the same general category of products, we did not use the report summary in our calculation of profit.

The Bangladesh Tariff Commission report respondents submitted did not list any profit figures or any other data which we could use in the calculation of profit for this case.

The respondents submitted three sets of financial statements covering the POR from companies located in Bangladesh that, according to the annual reports, are in the textile industry. These companies produce yarn, cotton products, and weaving products, which are in the same general category of products as the subject merchandise. It is also clear that these companies sell merchandise in Bangladesh. Therefore, because this information reflects profit amounts normally realized by exporters or producers in connection with sales for consumption in the foreign country of merchandise that is in the same general category of products as the subject merchandise, use of this information constitutes a reasonable method for calculating an amount for profit in accordance with section 773(e)(2)(B)(iii) of the Act.

One company produces textiles in Bangladesh and incurred a loss in its weaving unit for the period July 1, 1994 through June 30, 1995, which includes a portion of the POR. While we do not know whether this company actually produced shop towels, its financial statements indicate that it sold woven products, which are in the same general category of products as the subject merchandise. The second company is also a textile company that sells cloth, a product in the same general category of products as the subject merchandise, in Bangledesh. In its profit and loss statement, this company posted a loss for the period of October 1, 1993 through September 30, 1994, which includes a portion of the POR. Although this company closed its factory in August 1994, we have used its data for the 1993–94 fiscal year because that coincides partially with the POR. The third company's annual report indicates that it supplied high-quality cotton and polyester yarn to Bangladesh knitting mills, and its half-yearly results showed that it made a profit during the period October 1994 though March 1995. This entire period, except for one month, falls within the POR. The respondents also provided an annual report for a fourth textile company in Bangladesh.

However, we did not use this company's data since the annual report is for the 1993 calendar year, which ends before the POR begins.

For these final results of review, we have calculated a profit amount of 3.05 percent by using a simple average of the profit ratios of the three Bangladesh textile companies that operated during some or all of the POR. The three profit ratios, which we derived from the annual reports of the companies, as described above, were zero, zero, and 9.148 percent.

Comment 8: Greyfab contends that, in determining the profit earned during the POR, the Department incorrectly used the profit figure which included cumulative profit generated from the prior period not covered by this administrative review. Greyfab states that the Department should exclude the profit earned from the prior period from the calculation of profit.

Department's Position: Given our revised profit calculation in these final results, Greyfab's argument is no longer relevant.

Comment 9: Greyfab contends that the Department improperly calculated the total imputed interest expense for Greyfab's loan from its directors. Respondent indicates that, in its calculation, the Department used a total annual interest expense figure and divided this figure by a cost of production figure based on an eight-month period. Greyfab states that the Department should calculate the total imputed interest expense using an equivalent period.

Department's Position: We disagree with Greyfab. It is the Department's practice to calculate a net interest expense factor based on a respondent's full-year audited financial statements for the year that most closely corresponds to the POR. *See e.g., Shop Towels from Bangladesh; Final Results of Antidumping Duty Administrative Review,* 60 FR 48966, 48967 (September 21, 1995); *see also Final Determination of Sales at Less Than Fair Value; Canned Pineapple Fruit from Thailand,* 60 FR 29553, 29569 (June 5, 1995). The auditor's report in Greyfab's financial statements indicates that the profit and loss statement is ''for the year ended on that date'' (February 28, 1995). However, the heading of the profit and loss and the trading account statements suggest that they cover a period from July 1994 to February 1995. Due to conflicting evidence in Greyfab's financial statements, we were unable to determine with certainty whether the profit and loss and the trading account statements do, in fact, cover only eight months. We therefore computed the interest expense factor using a full-year's imputed interest expense.

Comment 10: Hashem contends that the Department improperly imputed an interest expense on its loan to its directors. Hashem argues that this loan is reported as an asset in the company's balance sheet and the nature of the loan is explained in its supplemental questionnaire response. Hashem states that, for the final results, the Department should not impute an interest expense on an asset.

Department's Position: We agree with Hashem. Thus, for these final results, we did not impute an interest expense on the loan in question.

Comment 11: Milliken states that respondents indicated in their questionnaire responses and supplemental questionnaire responses that they incur both yarn wastage and yield loss in the manufacture of shop towels. Milliken argues that respondents did not report any amounts for yarn wastage or yield loss in their CV calculations. Milliken also notes that there was a percentage for wastage incurred in the production of shop towels specified in a tolling contract between Sonar and a certain export company. Milliken asserts that, as a result, the Department should use the rate specified in that contract as facts available in the calculation of CV for each of the respondents as the rate can serve as both a reliable and objective measure for yarn loss.

Hashem contends that its reported material cost figures do not assume a 100% manufacturing yield and that a waste factor was, in fact, built into its reported material costs. Hashem explains that a portion of the finished towel consists of sizing material added to the yarn during the production process. Further, Hashem states that its material cost figures are based on the assumption that one full kilogram of cotton is contained in each kilogram of shop towels produced.

Respondents also state that Milliken misunderstands the manner in which Hashem has calculated its material costs. Hashem asserts that, contrary to Milliken's claim that the cotton yarn which constitutes the finished shop towel is valued at a rate applicable to sizing material, Hashem has calculated the value of sizing material present in the towel at a rate applicable to cotton yarn. Hashem further asserts that, by employing this calculation, it overstates the amount of cotton yarn in the towel which, in essence, includes a waste factor in the reported material cost figures. Hashem contends that, consequently, there is no basis for rejecting its methodology in lieu of an unrelated contract made between two other producers.

Greyfab asserts that it calculates material costs in the same manner in which Hashem calculates material costs. Greyfab argues that, similar to Hashem, it reported material costs which include a waste factor. Respondents state that, given the manner in which material costs were reported, there is no basis to artificially increase such costs.

Department's Position: We agree with Milliken that we should increase the total cost of materials to account for wastage incurred, but not by the full amount Milliken suggests because that amount is not indicative of the actual amount of wastage incurred by respondents during the POR. During the course of this administrative review, respondents indicated on the record that they incur a minimal yield loss in the production of shop towels. Hashem, Greyfab and Shabnam also indicated that they have accounted for the wastage by adding a cost for sizing materials to their total material costs. However, an amount that respondents claim to be equivalent to sizing materials does not accurately represent an amount for wastage incurred. Respondents did not provide any information on the record that would indicate that the cost of sizing materials is equivalent to the cost of the actual wastage incurred. Because we have no information on the record indicating the actual amount of waste incurred by each company, in accordance with section 776(a) of the Act, we must add a waste factor. Therefore, as facts available, we have added a waste factor to each respondent's CV calculation. We are not adding an amount equal to the waste factor that Milliken suggested in its case brief because that amount was extrapolated from a tolling agreement between Sonar and a certain export company which is not likely to be indicative of the actual amount of wastage incurred by respondents during the POR. Rather, as facts available, we have increased each respondent's total material cost by a waste factor equal to the difference between the average waste factor reported by Greyfab and Hashem's average amount for the sizing material that it built into its reported material costs.

Comment 12: Milliken states that Khaled submitted data for the 1993–94 POR rather than data for the current 1994–95 POR in its questionnaire response to the Department. Milliken contends that the Department should apply facts available to Khaled's response because the company failed to submit relevant POR cost and sales data to the Department. In addition, Milliken

indicates that Khaled submitted new sales and cost data relevant to the current POR in its supplemental questionnaire response. Milliken argues that this new data should be rejected because it was not properly filed with the Department or served to Milliken, thus depriving Milliken of its opportunity to comment on the submission and check the accuracy of the data submitted. Milliken asserts that, because Khaled did not submit reliable POR data, the Department must rely on facts available and should use the rate established for Khaled in the most recently completed administrative review.

Department's Position: For these final results, the Department analyzed the 1994–95 sales and cost data Khaled submitted on April 18, 1996, in response to the Department's supplemental questionnaire. Khaled's data was submitted within the time limits set by the Department for submission of supplemental information and prior to the Department's issuance of its preliminary results.

In the interest of fairness to the parties and calculating dumping margins as accurately as possible, it is appropriate for the Department to accept and analyze the data rather than to use the 1993–94 data. In fact, Khaled attempted to submit a questionnaire response containing data for the 1994–95 POR in August 1995, but did not submit it properly. Thus, the Department did not accept it. However, subsequently, on April 18, 1996, Khaled did submit properly the 1994–95 data to the Department for this 1994–95 administrative review.

Milliken does not explain the basis for its allegations that Khaled's April 18, 1996 submission was improperly served on Milliken and improperly filed with the Department. Furthermore, the Department has no record evidence demonstrating that Khaled's submission was improperly served or filed. Moreover, Khaled submitted to the Department a certificate indicating that it served its response on all of the interested parties. Therefore, the Department has not deemed the April 18, 1996 submission to have been improperly served or filed. Because the information was timely filed and because Milliken has not provided adequate reasons for rejecting the 1994–95 data, the Department has accepted the April 18, 1996 submission for the final results.

Comment 13: Milliken contends that Sonar failed to properly serve its questionnaire response on Milliken. In addition, Milliken argues that Sonar's reported CV data cannot be reconciled with its financial statements. Milliken argues that there are numerous problems with Sonar's supplemental questionnaire response. Milliken states, for instance, that there were discrepancies between Sonar's CV worksheet and its audited CV of Shop Towels statement with regard to cost categories or amounts. In addition, Milliken asserts that Sonar failed to adequately explain in its supplemental questionnaire response why these statements do not reconcile. Also, Milliken contends that Sonar does not provide enough cost and other information associated with its contractual agreement with a certain export company. For these reasons, Milliken argues that Sonar failed to provide a complete and accurate response and therefore the Department should assign to Sonar the same margin established for the company in the prior administrative review.

In addition, Milliken states that the Department incorrectly adjusted Sonar's reported CV costs to reflect only subject merchandise. Thus, if the Department accepts Sonar's response, Milliken argues that the Department should modify the adjustment to Sonar's CV costs by correcting the errors it alleges the Department made in adjusting Sonar's CV for the preliminary results.

Department's Position: Milliken indicated for the first time in May 1996 that it was not properly served with Sonar's questionnaire response and that the alleged improper service should be a basis on which the Department should disregard its calculation of the dumping margin. Milliken's notification of alleged improper service was more than six months after the deadline passed for respondent to submit its response. The burden rested on Milliken to inform the Department of improper service at or around the time the responses were due to the Department, as the Department has no other way to become aware of an alleged improper service. Indeed, the questionnaire response submitted by Sonar included a certificate of service which indicated to the Department that it had been properly served. Even if Milliken had, on a timely basis, succeeded in establishing on the record that it had, in fact, been improperly served, the Department would not have been precluded from accepting the submission at issue. *See Color Television Receivers, Except for Video Monitors, From Taiwan; Final Results of Antidumping Duty Administrative Review*; 56 FR 31378 (July 10, 1991) (wherein petitioners argued that they were improperly served comments by respondents; the Department accepted the comments, and, noting that they had been filed with the Department on a timely basis, permitted petitioner, which had notified the Department in a timely manner of the improper service, to have extra time to file its comments). Therefore, because the record indicates that Sonar's questionnaire response was served properly on Milliken and because Milliken did not inform the Department in a timely manner of the alleged defective service, we have relied upon the record and have concluded that Sonar's questionnaire response was, in fact, served on Milliken properly and timely.

Regarding Milliken's contention that the CV worksheet reported in Sonar's response does not reconcile with the CV statement submitted with the audited financial statements in the company's original response, in a supplemental questionnaire prior to issuance of the preliminary results, we asked Sonar to explain certain inconsistencies. In our supplemental questionnaire, consistent with section 782 of the Act, we requested that Sonar clarify and correct certain deficiencies in its original response. Pursuant to this request, Sonar submitted, in a timely manner, further information concerning most of the deficiencies in the original questionnaire response.

We indicated in our preliminary results that we were unable to incorporate Sonar's supplemental response into the calculations for the preliminary results because of the statutory due date. Therefore, in our preliminary results, while the company originally calculated CV using a factor representative of all merchandise produced and exported, we adjusted the CV worksheet to reflect, as closely as we could determine, the sales of subject merchandise. These adjustments are the concern of Milliken's comments.

Since issuance of the preliminary results, we have examined Sonar's supplemental response. Sonar indicated in the supplemental response that the expenses it reported in its original CV worksheet pertain solely to subject merchandise. Sonar also indicated in its supplemental questionnaire response that the reported audited financial statements are not limited to subject merchandise, since the company's revenues are derived from sales of kitchen towels and dish towels in addition to shop towels. Therefore, certain items in both the company's CV worksheet and audited financial statements do not match since the company's financial statements also reflect, in addition to the sale of subject merchandise, the sale of other merchandise.

While we are satisfied that the majority of Sonar's response reflects accurately sales of subject merchandise as well as the costs incurred to produce that merchandise, we have found a discrepancy in Sonar's response regarding its reported material costs for producing subject merchandise which it did not explain or clarify in the supplemental response, even though we requested clarification. More specifically, we have identified that Sonar's reported materials costs, a component of CV, is highly inconsistent with its other cost data. As a consequence, we are not confident that we can rely upon Sonar's reported material costs for producing the subject merchandise in determining the final results. Therefore, pursuant to 782(d)(1) of the Act we are disregarding Sonar's reported material costs because Sonar did not adequately explain its cost of materials figure. Accordingly, pursuant to section 776(a) of the Act we are using the facts available to assign the amount for materials cost in our calculation of CV. We are not making an adverse inference in determining these costs pursuant to 776(b) of the Act because we have determined that Sonar acted to the best of its ability to comply with requests for information in this proceeding. As facts available for calculating Sonar's cost of materials for the POR, we used the average cost of materials per kilogram that the four other participating respondents reported in their responses as part of their calculation of CV. In the *Final Determination of Sales at Less Than Fair Value: Canned Pineapple From Thailand*, 60 FR 29553, 29559–62 (June 5, 1995) (*Pineapple*), we used an average of proprietary cost figures of three respondents in assigning facts available for one company. As in *Pineapple*, we find that adequate safeguards to protect the confidentiality of the data are present. In *Pineapple* we used certain proprietary data from three respondents such that no one respondent's proprietary data was vulnerable to disclosure (*see also Final Results of Antidumping Finding Administrative Review: Elemental Sulphur from Canada*, 61 FR 8239 (March 4, 1996)). In this case we are using proprietary data from four respondents, which adequately protects each respondent's proprietary data.

Also, in reviewing the supplemental response, we determined that Sonar had not adjusted its expenses to reflect the production quantity of subject merchandise in the CV worksheet. Based on information on the record, for the final results we have adjusted Sonar's expenses accordingly.

The Department has determined in accordance with section 782(e) of the Act that it is appropriate to consider all of Sonar's other cost data submitted for the record. Section 782(e) of the Act directs the Department to consider all information submitted by an interested party, even if it does not meet all of the applicable requirements established by the Department if: (1) The information is submitted by the deadline established for its submission; (2) the information can be verified; (3) the information is not so incomplete that it cannot serve as a reliable basis for reaching the applicable determination; (4) the interested party has demonstrated that it acted to the best of its ability in providing the information and meeting the requirements established by the Department with respect to the information; and (5) the information can be used without undue difficulties. Therefore, except with regard to Sonar's reported materials costs and the production quantity of subject merchandise, we have accepted Sonar's CV information for these final results.

With respect to Milliken's concern over Sonar's reported earnings pertaining to other export contract jobs, there is no evidence on the record to demonstrate that the earnings reported are specifically related to the sale of subject merchandise. In its questionnaire response, Sonar refers to a certain export company, in addition to another exporter, as an example of other export contract jobs that Sonar maintains with companies. However, there is no indication on the record to support a finding that Sonar earned revenue from its contracts with these specific exporters. In addition, in its supplemental questionnaire response, Sonar indicated that it has not generated revenue from its contract with the specified exporter. Therefore, because there is no evidence on the record to indicate that the revenue reported in Sonar's financial statements from export contract jobs relates to the sales of subject merchandise and because Sonar has stated that it incurred expenses associated with, rather than revenue from, the export contract job with the specified exporter, we have not made an adjustment in the final margin calculation with respect to any revenue that may have been generated from Sonar's contract with that exporter.

Comment 14: Milliken contends that the Department, after assigning facts available to Sonar, should assign that rate to a certain exporter not currently involved in this review. Milliken states that the record developed in this administrative review demonstrates that, in the production of shop towels, Sonar used materials supplied by this exporter and that Sonar produced subject merchandise for that same exporter. Milliken also asserts that it suspects that the specified exporter has shipped subject merchandise to the United States during the POR. Milliken states that the Department should, in accordance with its policy on establishing rates for new shippers, assign to the specified exporter Sonar's antidumping duty rate.

Department's Position: We disagree with Milliken. Sonar stated in its supplemental questionnaire response that it did not sell any merchandise to the specified company. Sonar also indicated that it only manufactures final products with the use of inputs supplied by this specified company and charges the company for its cost of manufacture. There is nothing on the record to indicate that Sonar sells subject merchandise to or for the specified company.

Comment 15: Milliken asserts that, in its supplemental questionnaire response, Shabnam apparently revised its reported exports of shop towels during the POR by deleting two export sales within the POR. Milliken states that it is not clear from the record whether these sales should be counted as period sales. Milliken contends that the Department must determine in which period these sales were made. Milliken states that if the Department cannot discern in which period these sales occurred then it should reject Shabnam's revision and treat the two deleted export sales as period sales.

Department's Position: In its supplemental questionnaire response, Shabnam indicated that, in its original sales listing (Statement of Shipment), it reported sales that were not made during the POR and, therefore, revised its sales listing by excluding the sales that were not made during the POR. For the final results, we analyzed one of the sales that Shabnam excluded in its revised sales listing. Of the two sales it excluded from its supplemental questionnaire response, we found that one of the two sales was shipped before the POR. We found that the second sale was shipped during the POR. Since the sales reported are export price sales, we use the shipment date to determine whether the sales reported should be included in our analysis. Therefore, we have included in our final margin calculation the sale that was shipped during the POR and have excluded from the final margin calculation the sale that was shipped outside the POR.

Comment 16: Milliken indicates that, in its supplemental questionnaire response, Shabnam reported an amount for interest expense on its balancing, modernization, replacement, and evaluation (BMRE) loan, and that Shabnam stated that the loan amount was lower than the amount originally reported in its questionnaire response. Milliken argues that the Department should continue to use the higher interest rate calculated for the BMRE loan in its final margin calculation because it claims that the lower rate listed in Shabnam's supplemental questionnaire response is not consistent with the amount of interest expense it reported.

Department's Position: As explained in the preliminary results, we were not able to incorporate information provided in respondents' supplemental questionnaire responses for the preliminary results. Therefore, we used an interest rate based on the facts available to calculate Shabnam's interest expense. In our preliminary results, we stated that we would incorporate the information reported in respondents' supplemental questionnaire responses into our final margin calculations. Shabnam indicated in its supplemental questionnaire response the interest rate applicable to the amount borrowed from the BMRE loan. Since Milliken has not provided an adequate explanation as to why we should reject the use of Shabnam's reported interest rate on its BMRE loan, absent verification there is no reason to question the interest rate reported in Shabnam's supplemental questionnaire response. For the final results, we have, therefore, modified the interest expense calculation to take into account the interest rate reported in Shabnam's supplemental questionnaire response.

Comment 17: Milliken states that, in its supplemental questionnaire response, Shabnam indicated that it incurred an expense to build a factory shed in order to upgrade its shop towel production facility. Milliken argues that, while Shabnam indicates that the construction of the factory shed is ''currently halted,'' it does not indicate whether the shed sat idle during the POR. Milliken contends that, given the type of manufacturing methods employed by Shabnam, it is unlikely that the factory shed is not being used in the production of subject merchandise. Milliken argues that the Department should therefore treat the shed as part of the company's plant and equipment used in the manufacture of subject merchandise and include an amount for depreciation expenses in Shabnam's cost of production.

Department's Position: In its supplemental questionnaire response, Shabnam stated that construction of the factory shed is still in progress and therefore is incomplete. Further, even though the construction of the shed is currently halted, there is no evidence on the record to indicate that this partly finished factory shed is usable for production purposes. In addition, there is no evidence on the record to indicate that Shabnam did not already include an amount for depreciation expense for the partly finished factory shed. Given the lack of evidence to support Milliken's claim, there is nothing on the record to warrant an adjustment to Shabnam's depreciation expense in the calculation of COP to account for the partly finished factory shed.

Final Results of Review

We determine the following percentage weighted-average margins exist for the period March 1, 1994, through February 28, 1995:

Manufacturer/Exporter	Margin (Percent)
Eagle Star Mills Ltd.	42.31
Greyfab (Bangladesh) Ltd.	0.70
Hashem International	0.00
Khaled Textile Mills Ltd.	0.00
Shabnam Textiles	0.00
Sonar Cotton Mills (Bangladesh) Ltd.	27.31

The Department shall determine, and the Customs Service shall assess, antidumping duties on all appropriate entries. Individual differences between the export price and normal value may vary from the percentages stated above. The Department will issue appraisement instructions on each exporter directly to the Customs Service.

Furthermore, the following deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date of these final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) The cash deposit rates for the reviewed companies will be those rates established above (unless the rate for a firm is *de minimis, i.e.*, less than 0.5 percent, in which case a cash deposit of zero will be required for that firm); (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, a prior review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review or the original investigation, the cash deposit rate will be 4.60 percent, the ''All Others'' rate established in the *LTFV Final Determination* (57 FR 3996).

These deposit requirements shall remain in effect until publication of the final results of the next administrative review.

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

This notice also serves as a reminder to parties subject to administrative protective orders (APOs) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 353.34(d)(1). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

This administrative review and notice are in accordance with section 751(a)(1) of the Tariff Act (19 U.S.C. 1675(a)(1)) and 19 CFR 353.22.

Dated: October 23, 1996.

Robert S. LaRussa,

Acting Assistant Secretary for Import Administration.

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[A–580–811]

Steel Wire Rope From the Republic of Korea; Final Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Final Results of Antidumping Duty Administrative Review.

SUMMARY: On May 6, 1996, the Department of Commerce (the Department) published the preliminary results of its 1994–95 administrative review of the antidumping duty order